

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Mail Processing Network
Rationalization Service Changes, 2012

Docket No. N2012-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

(Issued May 31, 2012)

The Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion under 39 U.S.C. 3661(c) regarding the Mail Processing Network Rationalization Service Changes, 2012 (MPNR).¹ In order to facilitate inclusion of the requested material in the evidentiary record, the Postal Service shall have a witness attest to the accuracy of the answers and be prepared to explain, to the extent necessary, the basis for the answers at the hearings.² Responses shall be provided no later than June 7, 2012.

The following question(s) are directed to witness Elmore-Yalch (USPS-T-11).

1. The following Consumer Volume Forecast was generated by following the respondent inclusion rules described in witness Elmore-Yalch's response to POIR No. 4, question 7. Library Reference PRC-LR-N2012-1/1 contains the do-file written to produce the figures seen in the table below. Please explain the discrepancy between the table below and Figure 47 appearing in witness Elmore-Yalch's testimony, USPS-T-11, at 52.

¹ Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services, December 5, 2011 (Request).

² The Postal Service may redirect questions as necessary to provide a complete response, including the provision of institutional responses, if necessary.

Consumer Volume Forecast (PRC)				
Product	Total Volume Sent—Current FCM Standards (A)	Total Volume Sent—New Standards Adjusted (B)	Change in Volume (C)	% Change in Volume (D)
First-Class Mail	64,328	63,335	-993	-1.57%
Priority Mail	2,937	2,968	31	1.06%
Express Mail	2,511	2,302	-209	-8.31%
Total Mail Volume	69,776	68,605	-1171	-1.68%

The following question(s) are directed to witness Frank Neri (USPS-T-4).

2. In response to POIR No. 7, the Postal Service provided Library References USPS-LR-N2012-1/89 and 90, which update Library References USPS-LR-N2012-1/49 and 50. The Postal Service also filed Library Reference USPS-LR-N2012-1/NP25, which contains data disaggregated by operation.
 - a. Please identify the selection criteria that determine the facilities to be included in Library Reference USPS-LR-N2012-1/NP25, and describe the reasoning that led to the criteria.
 - b. Please identify the selection criteria that determine the facilities to be included in Library Reference USPS-LR-N2012-1/90, and describe the reasoning that led to the criteria.
 - c. Library Reference USPS-LR-N2012-1/90 contains an “office” name associated with each finance number. Please provide an office name for each finance number in Library Reference USPS-LR-N2012-1/NP25.
 - d. Please discuss the reason(s) why Library Reference USPS-LR-N2012-1/NP25 contains more facilities than Library Reference USPS-LR-N2012-1/90.

- e. Please describe any expected impact the additional facilities may have on the suitability of using Library Reference USPS-LR-N2012-1/NP25 to analyze the relationship between labor needs and scheduling constraints. Please include a discussion of whether a single physical facility can be associated with multiple finance numbers, and how data should be aggregated to account for employees working in facilities with multiple finance numbers.

The following question(s) are directed to witness Cheryl D. Martin (USPS-ST-2).

3. Please refer to Library Reference USPS-LR-N2012-1/77, Excel file 'rev_Plant_to_Post_Office_Update_(4.16.12).xls' tab 'Actual.' All highway routes reported in all of the February 23, 2012 AMP studies were used to obtain a 3.18 percent reduction in plant-to-post office operating miles. The routes included in the calculation consist of all types of highway contracts: Intra P&DC, Inter CSD, Inter Cluster, Inter Area, Inter NDC, Intra NDC, and Plant Load transportation. Please explain the rationale for using all types of transportation in the calculation, instead of using only plant-to-post office transportation contracts.
4. During the May 9, 2012 hearing, witness Martin was asked about the AMP study concerning the consolidation of the Corpus Christi P&DC into the San Antonio P&DC. The witness confirmed that the 8 highway contract routes listed on page 40 of this AMP study are only a subset of the highway contract routes that are currently serving the gaining and losing facilities. Tr. 8/2585. Witness Martin also stated that:

(w)hat's listed in the AMP study at least for the most part are those routes that are impacted. Either there's changes in the mileage, increase or decrease, instead of summarizing all of the routes that are just not impacted because the spreadsheets could get pretty full. *Id.* at 8/2586.

Please confirm whether all AMP studies announced by the Postal Service on February 23, 2012 list only those highway routes that are affected by the network consolidation, which would imply that routes with no change to their operating miles are not included in the list despite currently serving the plants in the AMP studies. If not, please identify the AMPs for which only the affected routes are included.

The following question(s) are directed to witness Michael D. Bradley (USPS-ST-4).

5. Please refer to Library Reference USPS-LR-N2012-1/93. The percent reduction in plant-to-post office operating miles is multiplied by the total Intra-P&DC cost, including the highway contract route (HCR) cost of deactivated Postal Vehicle Service (PVS) sites, but excluding the plant-to-post office cost of PVS sites that will not be closed or replaced by HCR service. This product is multiplied by the Intra-P&D cost elasticity to obtain plant-to-post office transportation cost savings.
 - a. Please explain the rationale for excluding the PVS sites that will not be closed from the calculation of the baseline cost.
 - b. Please discuss how any change in costs for those PVS sites that will remain open in the rationalized mail processing environment is accounted for in the cost estimates.

Ruth Y. Goldway
Presiding Officer